

Remarks to the Small Business Administration
Conference on SBREFA

Congressman Felix J. Grucci, Jr.
February 6, 2002

I appreciate the opportunity to be here today to briefly discuss the Small Business Regulatory Enforcement Fairness Act of 1996 – commonly known as SBREFA. I would like to thank Al Stubblefield and the National Ombudsman, Michael Barrera, for inviting me here today.

While I was not a member of Congress when the Small Business Regulatory Enforcement Fairness Act was signed into law, I do understand the intent of the legislation from a unique position. My family business, which occupied the majority of my professional life, is a fireworks company on Long Island. I can assure you, there is no small business more regulated than a fireworks company.

My small business background taught me a great deal about working with government agencies. First, it made me understand that the rule making process is an intense one – one that requires extensive input from all sectors. Secondly, it made me understand that, while regulations were always well intentioned and usually aimed at a large portion of entities, they occasionally adversely affected the smallest entities that are the backbone of our economy. Lastly, I learned that cooperation between government and small business was essential to the success of both.

SBREFA has been successful in giving a voice to small business – an avenue of communication with the federal government that has allowed the small business owner to highlight the impacts some regulations and enforcement actions have on his or her business.

We all know that Company X, employing 15 people, is vastly different than company Y, employing 15,000. SBREFA supports this principle and understands that some requirements and sanctions imposed by federal agencies would have vastly different affects on these two companies. It allows small businesses - with a considerably smaller economic base than larger corporations - to be given an

opportunity to minimize the negative effects of some agency regulations and enforcement actions.

As you all know, the legislation also calls for an annual report from the Ombudsman to Congress, which rates federal agencies. This afternoon, Mr. Barrera will announce three proposed criteria for this rating system: responsiveness to small entity comments, implementation of a SBREFA advisory card and adoption of a zero tolerance, non-retaliation policy.

I understand that some agencies may not look forward to this report. But, I can assure you, that the intent of the report is not to pit small businesses against federal agencies.

In fact, the opposite is true. It seeks to ensure that agencies take enforcement action in a professional and amicable manner – thus, fostering a cooperative partnership between small business and the federal government. The report highlights the need for agencies and small businesses to work together to ensure that laws are enforced and that small business know what they need to do to comply with those laws.

SBREFA has helped in many ways since its enactment. Most of all, it has fostered an important partnership between small businesses and federal agencies.

The annual report will help this partnership grow and allow for a system of cooperation that will benefit both small business and the agencies you represent.

As members of Congress, we like to see how legislation we enact is carried out down the road. Some time ago, legislators seemed to notice somewhat of a rift between small business and federal agencies. Many small businesses felt they didn't have a voice, or if they did, it wasn't considered fairly.

Today, SBREFA has led to noticeable progress. It is through this annual report to Congress – highlighting the concerns expressed by small businesses around the country – that we learn just how much progress we have made. More importantly, it highlights the collaborative efforts being seen between small business and federal agencies.

I applaud your work and your commitment to providing a true voice to the small businessman.

SBREFA has provided a foundation to foster the relationship between small business and the federal government, and the annual report is a great way to ensure that relationship continues to progress.

Small business owners are seeking the American Dream. Many, like my great uncle, have put their entire life savings into starting their business. I want to ensure that these great people who have sacrificed so much to run their small business, are listened to by the governments that enforce the many regulations they must observe.

Understanding the small business will not only help craft good policy, but will also help foster the partnership intended by the legislation.

As Mr. Barrera sends his report to Congress, you must remember that it is as much of an evaluation of the relationship between your agencies and small business, as it is anything else.

I look forward to developing a positive relationship with the SBA and all of the agencies that help provide a voice to small businesses across America.

Thank you and good luck with the remainder of your meeting.

Thank you.